

**Institutionalizing the New Maritime
Strategy: The Forrestal Lessons,
1945-47**
An Annotated Briefing

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A handwritten signature in black ink, appearing to read "RBPirie". The signature is stylized with large, overlapping loops for the letters.

Robert B. Pirie, Jr.
Vice President and Director
Strategy and Forces Division

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Institutionalizing the New Maritime Strategy: The Forrestal Lessons, 1945-47

Scott Atkinson

25 March 1993

CNA

This briefing concerns institutionalizing strategic change in the Navy. It focuses on the lessons of the 1945-47 era under Secretary of the Navy James Forrestal.

What Is the Relevance for Today?

- **Time of declining force levels and strategic shift**
- **Fierce Congressional, interservice conflict over defense budget and priorities**
- **Forrestal credited with having delivered the best possible outcome**

The Forrestal era (1945-47) was analogous to today in several aspects. The United States had won a great war, and, for several years at least, the prospect of peace dominated military planning. It was a time of declining force levels and defense budgets, and a time of strategic shift. Fierce Congressional battles and interservice rivalries over defense dollars and missions characterized the period. Secretary of the Navy James Forrestal is credited with having delivered the best possible outcome for the Navy, in terms of budget and Navy prerogatives, under very difficult circumstances.

Tools and Purpose

- **Sources**
 - **Primary (memos, planning notes, Forrestal diaries)**
 - **Interviews with historians**
 - **Secondary (large body of material)**
- **Objective**
 - **Distill Forrestal's tactics for dealing with change**
 - **Not necessarily an equivalent scenario to 1993, but might provide food for thought**

For this study we used various primary sources, including internal memoranda, planning notes, and Forrestal's personal diaries. Interviews with leading historians were also conducted. Perhaps most important was the vast secondary source material on Forrestal and the Navy's postwar administrative/budgetary struggles.

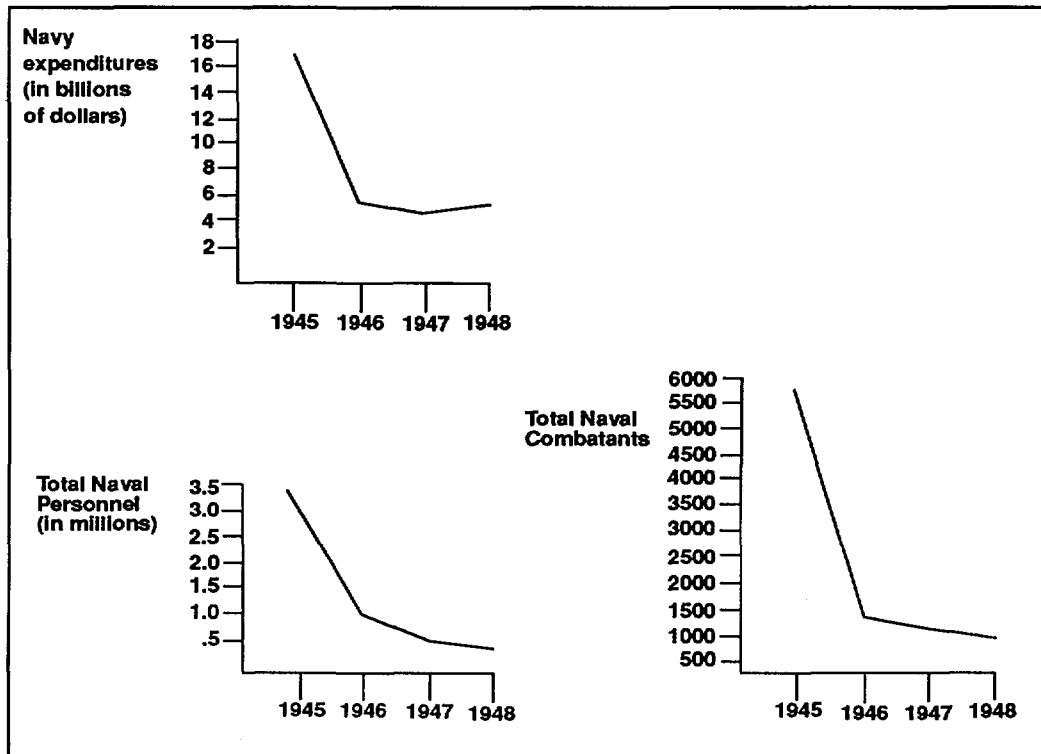
The objective here is to distill from this material the key tactics that allowed Forrestal to affect change and the most favorable possible outcome from the standpoint of the Navy's interests. Forrestal's vision for strategic change mostly affected the Navy internally. This vision is not the central focus of the briefing; rather, his tactics for implementing the vision are noted only inasmuch as they countered external challenges to Navy interests. Forrestal's tactics for dealing with external forces—the president, Congress, and the Army—are the main concern here. Although the circumstances are quite different today, the Forrestal lessons may provide food for thought. A review of the lessons, moreover, seems timely in 1993, given the fact that struggles similar to those Forrestal faced are expected.

Setting the Stage: The Postwar Demobilization and the Unification Challenge

- **Dramatic cuts in force levels and budget; hasty demobilization; administrative reorganization**
- **Navy faces threat over prerogatives from War Department, Army, their Congressional supporters**
- **Navy opponents attempt to join services under unified Department of Defense, Chief-of-Staff and Secretary and create separate Air Force**
- **Navy sees as attempt to reduce Navy's authority, take away naval aviation and Marines**

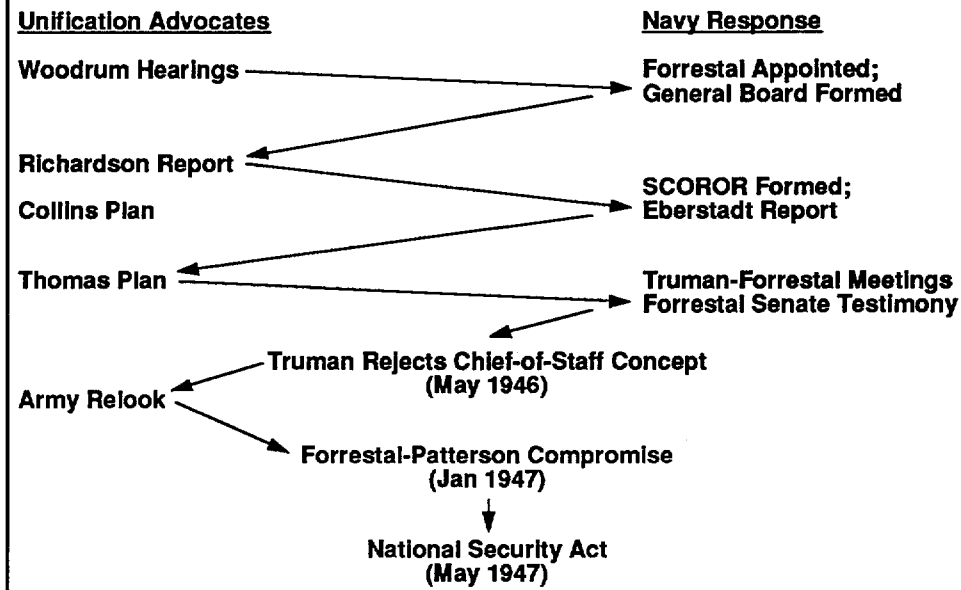
Turning then to Forrestal's environment, we find that dramatic cuts in force levels and budget were evident in the postwar period, as mentioned. A hasty demobilization was completed by September 1946, and administrative reorganization occurred inside the Navy as well.

The chief threat the Navy faced, however, was from the War Department and the Army, supported by sectors of Congress. This block, from as early as May 1944, sought to unite the services under a unified Chief-of-Staff, Secretary, and Department of Defense, all having both coordinating and administrative control over the Navy. The administrative control was the key issue here. Although Forrestal and the senior naval leadership came to accept the notion of a unified Defense Department and Secretary, they were opposed to the notion that either would have more than coordinating and staff functions in relation to the Navy Department. The Army-War Department alliance also sought to break out a newly independent Air Force, and Army leaders talked of assimilating the Marines and absorbing Marine missions. All of these plans were seen by the Navy leadership, including Secretary Forrestal, as an attempt to reduce the Navy to a dependent, auxiliary service, and to take over naval aviation and the Marines.

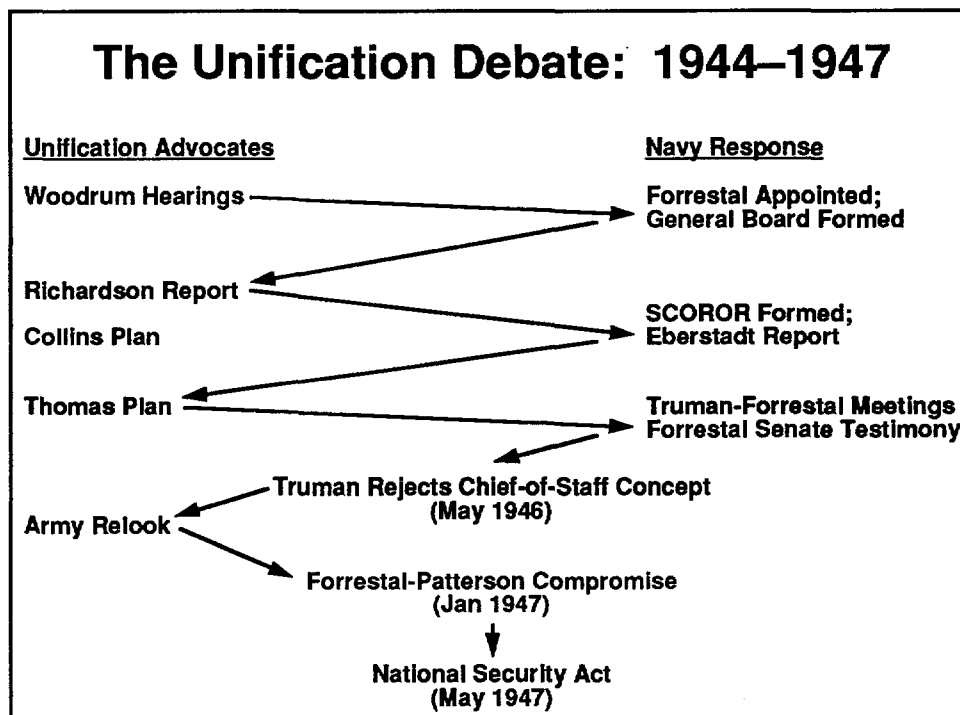


Here we have some indicators of the difficult situation that the Navy faced under Secretary Forrestal. The Navy budget fell from \$16.7 billion in 1945 to \$4.2 billion in 1947; there was a slight increase in 1948 to \$4.4 billion, but thereafter the budget continued its gradual slide until the advent of the Korean War. Decline in naval personnel took a similar curve, from 3.4 million to just under 500,000 by 1947; by 1948 there were just 420,000, and this decline also continued until the Korean War. Total naval combatants fell from 5,718 to 737 in 1948.

The Unification Debate: 1944–1947



Turning to the unification battle, it is useful to have an overview of the key events up front. The first major thrust of the Army-War Department unification effort was at the Woodrum Committee hearings in Congress, May 1944. These hearings provided Secretary Forrestal (who had just been appointed) an opportunity to show his skill in defending naval interests. He successfully shot down this early Army-War Department effort. Following the hearings, nonetheless, a group of retired admirals formed the General Board, a body that sought to coordinate the Navy's PR campaign. Forrestal foresaw the need to expand the General Board's effort. As a result, the General Board was replaced by the Secretary's Committee on Research and Reorganization—SCOROR—in October 1945. In 1945, the Army-War Department unification forces regrouped and more successfully advanced their case. The Richardson Committee report appeared in April, followed by the Collins plan in October; both were studies that supported the Army-War Department case. These studies were augmented by an aggressive Congressional campaign (with September hearings before the military affairs committees), publicity stunts by the not-yet autonomous Air Force, and an overwhelming media campaign. In June 1945, Forrestal hired Ferd Eberstadt to study the unification question and the entire matter of the postwar U.S. defense and national security structure. The Eberstadt study, released in October, was not enough to preclude President Truman from submitting a bill supportive of the Army-War Department plans in December. His bill closely followed the Army-War Department's Collins Plan. Shortly thereafter, the president made things even more difficult for Navy opponents of unification by implicitly threatening to fire any naval officer who questioned the wisdom of the unification plan stipulated in his December bill.

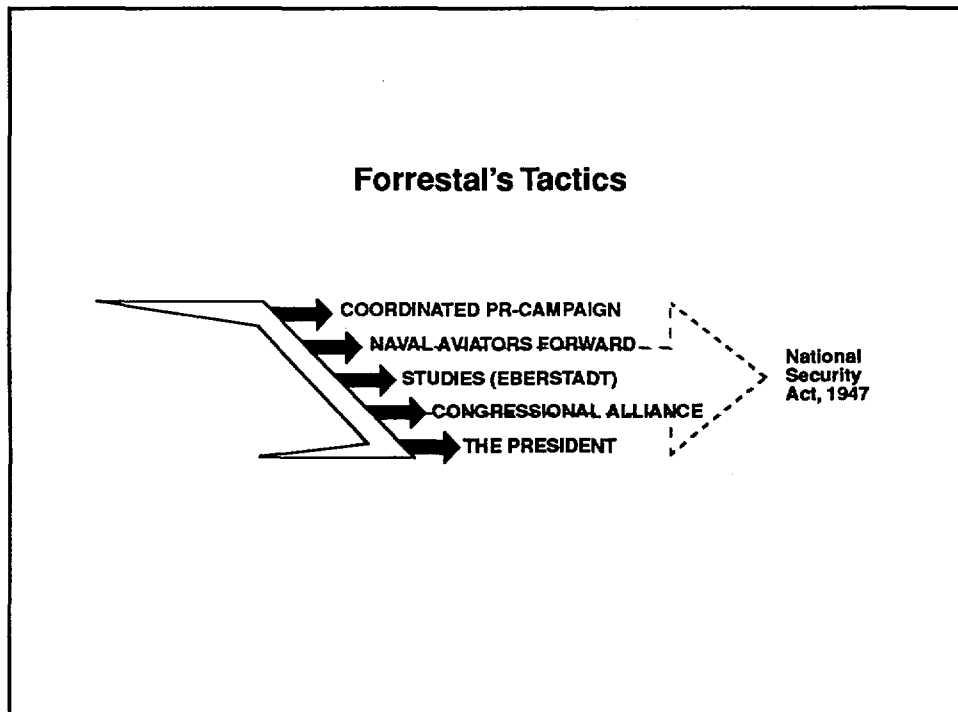


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Early in 1946, things thus looked bleak for the Navy. Navy leaders did discover that the president was not opposed to continued debate on unification, but in March the Merrill incident seemed to hush naval opposition again (Rear Admiral A. Stanton Merrill made a widely publicized speech strongly questioning the wisdom of unification, and President Truman made a statement within days that sharply criticized unnamed naval opponents of unification). In April 1946, five months later, another Congressional study was released, the Thomas plan, also largely supportive of the Army-War Department.

Despite these trends, Forrestal kept busy in Congress and continued to lobby the president on a regular basis. In April 1946, he managed to have several days virtually alone with the president on a naval exercise, relentlessly returning to the unification issue. May marked the beginning of a major turnaround. At a key Cabinet meeting, Truman announced for the first time that the notion of a unified Chief-of-Staff was "dangerous," just what Forrestal and Eberstadt had been saying. Also in May, Forrestal made a major case against the Army-War Department plans in the Senate Naval Affairs Committee hearings. In so doing, he was able to reverse the unfavorable position the Navy had been in until then, appearing as the isolated party against the president, the public, Congress, and national interest. After May, Forrestal won the president over to other components of the Eberstadt plan, while building Congressional support as well.

By January 1947, Forrestal had reached the historic compromise with Army General Patterson. In May, 1947, the National Security Act was passed, ending the first phase of the postwar unification struggle.



Forrestal's campaign for fighting external opposition was largely a lobbying effort that had five key facets. First, there was the coordinated campaign Forrestal led. Second, Forrestal sought to advance the positions within the Navy of those specialists who could do the most to assist the Navy in the PR battle. As a result, naval aviators and communications specialists in particular were sharply upgraded during the 1945-47 period. Another component of Forrestal's PR campaign was the role of studies, in particular the Eberstadt report. Fourth, and perhaps most important, was Forrestal's dedicated effort to build a Congressional alliance. Finally, Forrestal's relationship with the president must be discussed as well.

Tactics (PR)

I. Coordinated Efforts

- **General Board (June 1944) after Woodrum hearings**
- **SCOROR (Oct. 1945)**
- **Offices of Public Information, Legislative Affairs, Comptroller (Fiscal Directorate)**
 - **Formulates “line”**
 - **Clearing house for public statements**
 - **Follow-up for top policy plans**
 - **Intelligence-gathering**
- **Reorganization bodies—Top Policy Group and Gates Commission among others—also play supporting role**

As mentioned earlier, the General Board, and then SCOROR, led the Navy's PR campaign. However, the already-existent offices of public information and legislative affairs also played important roles. In 1945, Forrestal created the Fiscal Directorate (later the Office of the Comptroller), which played a role in the campaign by providing budgetary information. Other bodies of the period, such as the Top Policy Group and the Gates Commission, also played roles, although they were more important in the administrative reorganization within the Navy.

The PR organs had several key missions. Among them were formulating a common Navy "line" on various questions related to unification; preparing officers with this and other items for Congressional and executive hearings and public/media interviews; following up policy pronouncements by Forrestal in the field, again to ensure a united front; and intelligence-gathering related to all external influences on unification—Congress, the Army-War Department, the public debate, and especially the media.

II. Personnel Policy Adjustments

- **Aviators, public-relations specialists upgraded**
- **Office of Public Relations elevated; Rear Admiral put in charge with broad permission to make the case to the public**

Forrestal recognized that with the advent of nuclear weaponry, the appearance of a new, chiefly land-based opponent (the USSR), and the prominent role of long-range bombing in World War II, naval aviation would be increasingly important in the postwar Navy. As a result, he made a point of creating new advancement opportunities and exposure for naval aviators. In Congressional and executive hearings, naval aviators became increasingly visible after the war; Forrestal especially recognized that they could do much to advance the Navy's case. Promotions policy soon reflected the new aviation emphasis. In 1945, just 22 percent of all line officers were aviators; by 1948, 37 percent were. Promotions to admiral greatly favored aviators over the same period. Forrestal sought to have on his staff a number of young aviators who had just returned from Pacific theater combat; he saw them as being key to bringing about a shift in Navy thinking about future war. Forrestal saw that the likely war of the future, with the USSR, would not be a classic Navy-on-Navy fight, but would be more variegated.

Similarly, Forrestal sought to enhance the position of public-relations specialists. He established a new special assistant for communications in his own office, and improved the position of PR specialists in promotions and the institutional framework. The Office of Public Relations was elevated to the status of a bureau, and a rear admiral was put in charge and given wide leeway in fighting the PR campaign.

In both cases, the point here is that both aviators and communications specialists had important roles to play in the postwar unification struggle. As a result, Forrestal sought to improve their institutional position in the Navy.

III. Building the Case: Studies

- **Use studies to validate, flesh out general concepts**
- **Use to repudiate opposing studies and plans (Collins Plan, Thomas Plan)**
- **Forrestal hired Ferd Eberstadt as consultant on Navy, military reorganization (June 1945)**

Another component in Forrestal's campaign was the use of studies, or, more particularly, one study. As mentioned earlier, the Army-War Department opposition had used studies also. The studies substantiated, documented, and developed arguments. General theses and concepts were also fleshed out. In so doing, they sought to repudiate claims of the opposition.

In order to defend the Navy from the growing influence of an Army-Air Force offensive in the PR battle, Forrestal hired Ferd Eberstadt, a former Wall Street business associate. Eberstadt was given the task of determining what would be the best overall organization of the U.S. national security apparatus in the postwar era. Eberstadt started the study in June, with the help of a staff of 30, and completed it in October 1945. Other naval studies of unification had preceded this, but they were circulated only internally and were not especially detailed or solid.

The Eberstadt Study, October 1945

- **Eberstadt approached unification from an overall national security perspective, injected business component**
- **In-depth analysis of unification**
- **Picked apart arguments of Collins plan (unified Chief-of-Staff)**
- **Provided positive counterproposal and sense of Navy willingness to compromise**

Looking more closely at the Eberstadt study, it should be noted that Eberstadt went beyond the narrow unification debate. He assessed the entire U.S. national security apparatus, recommending a number of changes to meet future challenges. Apart from calling for the Navy to retain its administrative autonomy, Eberstadt called for creation of the CIA, NSC, and other coordinating bodies. His previous Wall Street background was important in the study, because it injected a business approach. Eberstadt made the case that his plans would be the most effective in terms of the functioning of the various components.

The Eberstadt report became the centerpiece of the Navy's effort against the Army-War Department unification plans. The arguments of the Collins Plan were carefully picked apart. At times using some of the War Department's own data from World War II, the study especially attacked the notion of a unified Chief-of-Staff and unified Defense Department control of the services. It also insisted that naval aviation and the Marines would be best retained in the Navy. However, perhaps recognizing that an independent Air Force was a foregone conclusion, the study accepted the notion. This was the first time that the Navy had indicated a willingness to accept an independent Air Force. However, most senior officers were still not ready to accept the idea of an independent Air Force, but most changed their positions over the next year.

The Eberstadt study provided a much-needed positive counterproposal and a sense of the Navy's willingness to compromise. Although it took time to publicize the report's findings and acquaint the players with them, the study over time helped reverse the public image of a Navy unwilling to yield from a narrow parochial position. Eberstadt's approach, while protecting vital Navy interests, was one of objective, competent, and business-minded assessment. This was vitally important at the time.

IV. Building the Congressional Alliance

- **Forrestal's close ties to Congress predated his Secretary of the Navy appointment; in 1942, he listed 70 members of Congress as friends**
- **Extensive lobbying by Forrestal**
- **In 4-month period up to National Security Act, in-person contact 12 days per month**

Perhaps most important for Forrestal in bringing about a successful outcome for the Navy in the unification struggle was his Congressional alliance. Although previous Secretary of the Navy appointees had obviously worked with Congress also, Forrestal expanded the Secretary's ties to Congress to an unprecedented level. Forrestal's Congressional connection predated his appointment. An illustrative reflection of this was a 1942 incident. At the request of then Secretary of the Navy Frank Knox, assistant secretaries Bard and Gates, along with Undersecretary Forrestal, were asked to list the members of Congress whom they knew. The two assistant secretaries listed 15-20 Congressmen each, and Forrestal listed 70. Needless to say, Forrestal significantly expanded that number.

Forrestal's lobbying effort was intense. In the four-month period leading up to the passage of the National Security Act, he had in-person contact with Congressmen an average of 12 days per month. This, of course, did not include indirect contact via phone calls, correspondence, and visits by aids and other representatives acting on behalf of the Secretary of the Navy's office.

IV. Building the Congressional Alliance (Continued)

- **Forrestal and Congressmen coordinate PR campaign**
- **Forrestal's Congressional ties paid off in unification struggle**
 - **Carl Vinson (House Naval Affairs), most important ally**
 - **David Walsh (Senate Naval Affairs)**
 - **Senator Chan Gurney, Representative Walter Andrews, Leverett Saltonstall (chair, Senate Appropriations Committee)**

Forrestal worked with Congressional allies to coordinate the PR campaign, especially in the media. Certain correspondents were known supporters; Forrestal sought to keep them well informed of breaking developments.

Forrestal's Congressional ties clearly paid off in the unification struggle. Some of his key allies were Carl Vinson, chairman of the House Naval Affairs Committee and then the House Armed Services Committee; David Walsh, with Senate Naval Affairs and then Senate Armed Services; representative Walter Andrews and Senator Chan Gurney, replacements for Vinson and Walsh respectively; and Leverett Saltonstall, chairman of the Senate Appropriations Committee. There were several others, plus many Congressmen unaffiliated with the key committees.

V. Forrestal's Ties to the President

- **Forrestal had to overcome Truman's leaning toward the Army through persistent lobbying**
 - **Summer-Fall support of Army/Air Force**
 - **Culminates in bill of December 1945**
- **But Forrestal made gradual headway through patient pressure and persuasion**
- **By May 1946, first result: Truman said the concept of Chief-of-Staff was "dangerous"**

Adding to the Navy's problems were the fact that Harry Truman, who took over in April at FDR's death, made clear his support for the Army-War Department position on unification (and had been an Army officer himself). FDR, by contrast, had carefully avoided taking sides when the unification issue went public in 1944. Forrestal had to deal with Truman's early leaning toward the Army-War Department opposition. Over the summer-fall of 1945, Truman's support was especially apparent, and culminated in the introduction of a bill to Congress that largely followed the Army's Collins Plan. Yet Forrestal continued his patient and persistent pressure. During his once-weekly meetings with the president he carefully persuaded him that the Eberstadt study had the country's best interests in mind. By May 1946, President Truman said for the first time that he considered the Army-War Department Chief-of-Staff concept dangerous. This was a critical turning point in the unification struggle, and thereafter Forrestal was able to win Truman over to other components of the Eberstadt plan.

National Security Act of May 1947

- **First postwar battle on unification ends largely in victory for Forrestal**
- **Almost all of the Eberstadt/Forrestal recommendations accepted**
- **No Chief-of-Staff; new Secretary of Defense post to have only staff and coordinating role over three services; new Defense Department to have same**

The adoption of the National Security Act ended the first postwar battle on unification. The act marked, by most accounts, a victory for the Navy. Almost all of the Eberstadt recommendations were accepted. Most importantly, the new Department of Defense would have no administrative control over the Navy, nor would the new Secretary of Defense; there would be no Chief-of-Staff at all. The Secretary of Defense and the new DOD would have only staff and coordinating functions. Forrestal's appointment as the first Secretary of Defense seemed also to have Navy interests in mind. The independent Air Force was established, as were various national security organs—the CIA, the NSC, and the NSRB—that Eberstadt had advocated.

Powerful Congressional Allies

- **Skill in working Congress**
- **Competence, persistence, and the careful analysis of the Eberstadt Report.**

It is important to identify exactly what allowed Forrestal to hold the line on unification despite the setbacks of late 1945 to early 1946. The fact is that Forrestal's Congressional alliance was so powerful that his case could not be silenced. This network of Congressional allies was the real power that kept the Army-War Department axis, supported by President Truman for a time, from muzzling Forrestal, after they had quieted many other Navy leaders. His Congressional alliance evolved to the point where Forrestal actually became a virtual spokesman for the Congressional block behind him, who were adamant that Forrestal and Navy interests not be violated by the opposition's unification plans.

Forrestal's record shows poise, competence, and persistence in the Congressional arena. The Eberstadt study provided Forrestal with the well-grounded case he needed; it was simply a matter of Forrestal promoting and publicizing the findings. By May 1946, Forrestal was thus able to reverse the Navy's retreat, and he began a major counteroffensive.

Lessons and Recommendations

- **Undertake serious public-relations planning for upcoming Congressional battles; isolate key opposition early, plan countermeasures**
- **Locate someone with successful marketing/business background to lead Congressional/executive/OSD public-relations effort on behalf of the Navy. Allow this person to develop appropriate staff structure and prerogatives to further the case, even if money must be taken out elsewhere**

Clearly, one of the first lessons we can extract from the Forrestal case is the necessity of undertaking serious PR planning for upcoming Congressional battles. A part of this is isolating the key opposition early and planning countermeasures.

Someone similar to Eberstadt could do much for the Navy's case. This person would have a successful marketing/business background and, in effect, would lead—with the Secretary of the Navy, the Chief of Naval Operations, and other top naval leaders—the Congressional/executive/OSD PR effort. This individual should be allowed to develop the appropriate staff structure and prerogatives to further the effort, even if the money must be taken out elsewhere.

Such a leader would effect more than a simple PR campaign in the conventional sense. This person would seek to analyze existing force levels and defend the vital interests of the Navy, identified by his sponsors, under the auspices of an overall, joint approach to the post-Cold War requirements for U.S. national security.

It should also be observed that a business approach, separating truly vital Navy interests from those that may have to be sacrificed, would be timely, given the appeal of the Perot approach to government bureaucracy.

Lessons and Recommendations (Continued)

- **Assign appropriate public-relations organs**
 - **Data collection on Congressional, other external opposition. Careful assessment of all Congressmen, their motivations**
 - **Examination, dissection of all opposition studies**
 - **Timely release of rebuttals to opposition statements**
 - **Close monitoring of public debate**
- **Greatly increase Secretary of the Navy and CNO "direct marketing" on Capitol Hill. Follow up their approaches with visits by aides who leave brochures and videos (when possible)**

Appropriate public-relations organs should be assigned several key functions, among them data collection on Congressional and other external opposition, and careful assessment of all Congressmen and their motivations; examination and dissection of all opposition studies; timely release of rebuttals to opposition statements; and close monitoring of the public and media debate on the defense budget and service missions and prerogatives.

Secretary of the Navy and CNO "direct marketing" on Capitol Hill should be stepped up in advance of upcoming budgetary battles. Their visits should be followed by visits by aides who leave brochures and videos (when possible) that promote the Navy's position.

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